

Interest Rates Applicable for Overpaid California Estate Tax

(Pursuant to Revenue and Taxation Code Section 13563)

| <u>Time Period</u> | <u>Interest Rate</u> | <u>Daily Rate *</u> |
|---|----------------------|---------------------|
| Prior to January 1, 1987 | 7.00% | .00019178 |
| January 1, 1987 through December 31, 1987 | 5.50% | .00015068 |
| January 1, 1988 through December 31, 1988 | 6.00% | .00016438 |
| January 1, 1989 through December 31, 1989 | 6.50% | .00017808 |
| January 1, 1990 through December 31, 1990 | 7.00% | .00019178 |
| January 1, 1991 through December 31, 1991 | 6.50% | .00017808 |
| January 1, 1992 through December 31, 1992 | 3.50% | .00009589 |
| January 1, 1993 through December 31, 1994 | 3.00% | .00008219 |
| January 1, 1995 through December 31, 1995 | 4.75% | .00013014 |
| January 1, 1996 through December 31, 1996 | 5.25% | .00014384 |
| January 1, 1997 through December 31, 1998 | 5.00% | .00013699 |
| January 1, 1999 through December 31, 1999 | 4.50% | .00012329 |
| January 1, 2000 through December 31, 2000 | 5.00% | .00013699 |
| January 1, 2001 through March 31, 2001 | 9.00% | .00024590 |
| April 1, 2001 through June 30, 2001 | 8.00% | .00021918 |
| July 1, 2001 through December 31, 2001 | 7.00% | .00019178 |
| January 1, 2002 through June 30, 2002 | 6.00% | .00016438 |
| July 1, 2002 through December 31, 2002 | 1.71% | .00004685 |
| January 1, 2003 through June 30, 2003 | 1.69% | .00004630 |
| July 1, 2003 through December 31, 2003 | 1.20% | .00003288 |
| January 1, 2004 through June 30, 2004 | 0.87% | .00002377 |
| July 1, 2004 through December 31, 2004 | 0.91% | .00002486 |

* Per \$1.00 of overpayment.

Interest Computation Method:

- Through December 31, 2000, the interest earned on refunds is computed using simple rates. Interest is earned only on the overpayment of tax. The interest rate allowed on refunds is equal to the federal discount rate set by the Federal Reserve Board on each January 1, not to exceed 7%.
- Effective January 1, 2001, interest is compounded daily using the above rates due to the enactment of Assembly Bill 2818 (Chapter 363, Statutes of 2000) which amended Revenue and Taxation Code Section 13550. The interest rate is the rate for overpayment of tax provided in Sections 6621(a)(1) and 6622 of the Internal Revenue Code. The applicable federal interest rate is subject to change quarterly.
- Due to the enactment of Assembly Bill 3000 (Chapter 1124, Statutes of 2002) and effective July 1, 2002, the interest earned on overpayments is calculated using the bond equivalent rate of 13-week United States Treasury bills, not to exceed five percent simple interest. (See Revenue and Taxation Code Section 13563.)

Interest accrues from the date the tax would have become delinquent, if not paid, or the date of actual payment, whichever is later, to the date preceding the date of the refund warrant by not more than 30 days, the date to be determined by the Controller.